



DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

*Sean Parnell, Governor*  
*Emil Notti, Commissioner*  
*Robert M. Pickett, Chairman*

April 2, 2010

In reply refer to: Finance Section  
File: PC19-0308G  
LO#: L1000108

Linda L. Snow  
City Manager  
St. Paul, City of  
P.O. Box 901  
St. Paul, AK99660

Dear Ms. Snow:

On April 1, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for St. Paul, City of (ST. PAUL), for the listed classes of customers as follows:

Residential	25.02¢
Community Facilities	25.02¢

The revised PCE levels are due to Commission approval of ST. PAUL's Fuel Cost Update submitted on March 16, 2010. The new PCE levels are effective for billings rendered after April 1, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds ST. PAUL of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds ST. PAUL of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises ST. PAUL that failure to comply with those requirements could jeopardize its continued participation in the program.

If ST. PAUL believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.


Letter Order-ST. PAUL  
Page 2 of 2  
April 2, 2010

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst Kevin AufDerHeide at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

  
for Robert M. Pickett  
Chairman

cc: Jeffery Williams, Alaska Energy Authority

# STATE OF ALASKA

**DEPARTMENT OF COMMERCE,  
COMMUNITY & ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA**

**SEAN PARNELL, GOVERNOR**

701 WEST EIGHT AVENUE, SUITE 300  
ANCHORAGE, ALASKA 99501-3469  
PHONE: (907) 276-6222  
FAX: (907) 276-0160  
TTY: (907) 276-4533  
WEBSITE: <http://rca.alaska.gov>

DATE: April 2, 2010

INVOICE#: 19-0308G

DATE DUE: May 2, 2010

Linda Snow  
City Manager  
St. Paul, City of  
P.O. Box 901  
St. Paul, AK 99660

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC19-0308G  
LO #: L1000108**

**Fuel Cost Update** under the Power Cost Equalization Program

Amount Due :	<u>\$ 39</u>
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TOTAL AMOUNT DUE:	<u>\$ 39</u>
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MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA  
701 W. 8<sup>TH</sup> AVE., SUITE 300  
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or [joyce.mcgowan@alaska.gov](mailto:joyce.mcgowan@alaska.gov).

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**St. Paul, City of**

**FILE #: PC19-0308G**

**Amount Due: \$ 39**

**LO #: L1000108**

**Check Number** \_\_\_\_\_

Please tear along dotted line and submit payment with bottom portion. Thank you.

# Power Cost Memorandum Fuel Cost Update

Date: April 1, 2010

Utility Name (Cert. No.) <b>ST. PAUL MUNICIPAL ELECTRIC UTILITY</b>	Utility File No. <b>PC19-0308G</b>	Date Filed: <b>March 16, 2010</b>
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PCE LEVEL SUMMARY	Previously Approved PC19-0308F	Staff Recommended Level(s) and Effective Date PC19-0308G
Class Rate	Date Approved: February 4, 2010	April 2, 2010
Residential	\$0.2462	\$0.2502
Community Facility	\$0.2462	\$0.2502
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: \$ <u>3.7500</u>	New Fuel Purchase Price: \$ <u>3.8000</u>
<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted	<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted
Delivery Charge: <u>0.30</u>	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation				
	Gallons		Price	
On-hand before deliv.	-	X		=
Delivered	-	X	-	=
	<u>-</u>			
			\$	-
				Weighted Average N/A

Signed: \_\_\_\_\_

*Kevin AufDerHeide*  
Kevin AufDerHeide

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 4/1/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>emp</i>		
Giard				
Lisankie		<i>WLF</i>		
Patch				
Wilson				

Special Instructions to Staff:

\* If this column initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# ST. PAUL MUNICIPAL ELECTRIC UTILITY

APPENDIX 1

POWER COST EQUALIZATION CALCULATION  
 BASED ON TEST YEAR ENDING DECEMBER 31, 2007  
 Fuel Cost Update

	PC19-0308F	PC19-0308G	
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total kWh Generated	6,156,549	6,156,549	6,156,549
B. Total kWh Sold (Appendix 2)	5,417,763	5,417,763	5,417,763
C. Total Non-Fuel Costs (Appendix 2)	466,434	466,434	466,434
D. Non-Fuel Cost/kWh (C / B)	<b>\$0.0861</b>	<b>\$0.0861</b>	<b>\$0.0861</b>
E. Total Fuel Costs (Appendix 2)	1,702,759	1,725,462	1,725,462
F. Fuel Costs/kWh (E / B)	<b>\$0.3143</b>	<b>\$0.3185</b>	<b>\$0.3185</b>
G. Eligible Costs/kWh (D + F)	\$0.4004	\$0.4046	\$0.4046
H. Eligible Cost/kWh (G) less base rate in effect	<b>\$0.2592</b>	<b>\$0.2634</b>	<b>\$0.2634</b>
I. Lesser of (H) or 85.88 cents/kWh	\$0.2592	\$0.2634	\$0.2634
J. Average Class Rates (Appendix 3)			
Residential	\$0.3188	\$0.3188	\$0.3188
Community Facility	\$0.4088	\$0.4088	\$0.4088
Lesser of: (I) x 95% or (J)			
K. Residential,	\$0.2462	\$0.2502	\$0.2502
Community Facility	\$0.2462	\$0.2502	\$0.2502
Funding Level in Effect	100%	100%	100%
L. Residential	<b>\$0.2462</b>	<b>\$0.2502</b>	<b>\$0.2502</b>
Community Facility	<b>\$0.2462</b>	<b>\$0.2502</b>	<b>\$0.2502</b>

PC19-0308G  
 Appendix 1

# ST. PAUL MUNICIPAL ELECTRIC UTILITY

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY  
BASED ON TEST YEAR ENDING DECEMBER 31, 2007  
Fuel Cost Update

	PC19-0308F	PC19-0308G	
	Prior Commission Approval	Utility Request	Per Staff
<b>Non-Fuel Costs:</b>			
A. Personnel Costs	180,740	180,740	180,740
B. Operating Expense	44,423	44,423	44,423
C. General & Administrative	32,442	32,442	32,442
D. Depreciation	166,503	166,503	166,503
E. Interest Expense	3,402	3,402	3,402
F. Other (Describe)			
Fin.Dept. 15% Allocation			
Admin. Allocation Exp.	38,924	38,924	38,924
Munic. Serv. 15% Allocation			
Less Misc. Revenue	0	0	-
<b>G. Total Non-Fuel Costs</b>	<b>\$466,434</b>	<b>\$466,434</b>	<b>\$466,434</b>
<b>Fuel Costs:</b>			
H. Gallons Consumed for Electric Generation	454,069	454,069	454,069
I. Most Recent Price <sup>(1)</sup> \$3.80	\$3.7500	\$3.8000	\$3.8000
<b>J. Total Fuel Costs</b>	<b>\$1,702,759</b>	<b>\$1,725,462</b>	<b>\$1,725,462</b>
K. kWh Generated	6,156,549	6,156,549	6,156,549
L. kWh Sales	5,417,763	5,417,763	5,417,763
M. Efficiency (K/H) <u>Standard</u> ≥      12.50	13.56	13.56	13.56
N. Line Loss      ≤      12% (KWh Generated -kWh sold)/kWh Generated	12.00%	12.00%	12.00%

<sup>(1)</sup> Note: Utility is allowed 30 cents/gallon markup for storage and delivery above the City's invoiced price from Petro Marine.

PC19-0308G  
Appendix 2

UTILITY NAME: **ST. PAUL MUNICIPAL ELECTRIC UTILITY**  
**CALCULATION OF AVERAGE CLASS RATE PER kWh**

Rate Schedule: Residential

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to 500	0.4600		0.4600	230.0000		
to						
to						
to						
<b>Max</b> 500			<b>Total</b>	<b>230.0000</b>	<b>0.4600</b>	<b>0.3188</b>

Rate Schedule: Community Facilities

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to 500	0.5500		0.5500	275.0000		
to						
to						
to						
<b>Max</b> 500			<b>Total</b>	<b>275</b>	<b>0.5500</b>	<b>0.4088</b>